

Developing Accountable Leaders: How La-Z-Boy Trained Its Employees with a Board Game

A CLIENT STORY



About La-Z-Boy

La-Z-Boy Incorporated (www.La-Z-Boy.com) is one of the world's leading residential furniture producers, marketing furniture for every room of the home and office, as well as for the hospitality, health care, and assisted-living industries.

King of the Recliners Is Challenged

For decades, La-Z-Boy dominated the American recliner market, evidenced by the number of nine-to-fivers who would come home at the end of a long day and comfortably sink into their plush-covered La-Z-Boy recliners.

Although La-Z-Boy made its way to becoming a household name—and one of the 20th century's great American brands—the company found itself challenged by an ever-changing marketplace flooded with fierce competition. La-Z-Boy executives recognized that in order to stay on top, they needed to rekindle company morale and ensure that every manager understood his or her role in the company's current business strategy as well as in its future goals.

Changes in the Furniture Industry

Throughout the last decade, the fastest-growing segment of the retail furniture trade was new retailers.

This new competition has made it much more difficult for traditional furniture manufacturers to maintain their numbers in the marketplace. Even so, La-Z-Boy executives knew that their brand of furniture offered much more to the consumer; its customer service and satisfaction were top priorities, it had perfected its manufacturing and inventory systems to capitalize on the speed-to-market factor; and finally, the company's products enjoyed a world-renowned reputation for quality.

This strategy seemed to be in direct contrast to the commodity-type furniture retailers. This new breed of "disposable" furniture retailers offers its customers a limited selection of frames, fabrics and colors; furniture that is seen as "disposable" rather than heirloom quality; products entirely or mostly imported from the Far East; and a business approach that is more attractive for some in today's "instant gratification" lifestyle.

What La-Z-Boy Was Facing

When faced with this intense competition, the company's focus turned to its stability and the vision of top management. "We realized that in today's economic fluctuations, increased competition, the war for talent and business process changes, effective leaders—at all levels and in all functional units—will be the difference between our company's success and failure," explains Susan Vanisacker, La-Z-Boy's director of organizational effectiveness and community relations.

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Leadership development and succession planning at La-Z-Boy soon became a top priority and, within a short amount of time, the strategies for the next generation's leaders were all in place.

La-Z-Boy developed and nurtured its employees to fill the "talent shoes" when the current generation of managers and key people retired.

For years La-Z-Boy had a Leadership Succession Planning Curriculum that addressed employee culture and diversification and how to successfully integrate both to meet future goals; however, the leadership committee struggled with how to make its strategy "come alive" and resonate throughout the company.

In 2005, we started to make that leadership and succession planning process a living document that was reviewed quarterly by the executive staff.

La-Z-Boy's leadership realized that long-term succession planning must be an integral part of its strategic plan to successfully guide the company into the future. Its succession plan included key content on these issues.

- What is the long-term direction of La-Z-Boy?
- Do we have an effective strategic plan guiding our course and direction?
- What are the key areas that require continuity and development of our people and resources within our company?
- Who are the key people we want to develop and nurture for the future?
- How does the concept of succession planning fit into our strategies?
- What are the career paths that our most talented people should be following?

Five Business Impact Accountabilities— How to Succeed at Leadership Accountability

Paradigm Learning conducted research with business experts and leadership development practitioners and identified five areas of leadership accountability that most influence organizational success. The five areas are (along with a few best practices)

1. Executing for Results

- Build alignment of team and individual work with organizational and departmental objectives
- Establish and communicate clear goals and outcomes
- Champion and monitor use of streamlined, disciplined processes

2. Managing Change

- Develop an in-depth understanding of change initiative(s)
- Assess and build personal commitment and resilience to change
- Clearly articulate and build a "shared vision" of the change

3. Influencing the Business

- Keenly understand the business, the customers, and the industry
- Build and leverage relationships throughout the organization
- Seek and share best practices to impact organizational success

4. Developing Talent

- Take ownership of the development of talent for the department and the organization
- Apply disciplined recruiting and retention processes
- Build on strengths and value differences

5. Building Personal Effectiveness

- Expand personal awareness and humility
- Build trust by operating with integrity
- Strengthen decisiveness, judgment, and willingness to take risks



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- Is each career path customized to fit the abilities and talents of the people involved?

Additionally, La-Z-Boy wanted to ensure executives were aware of these key strategies and their individual success as well as that of the organization as a whole. Each individual needed to be held accountable for proactively planning—and executing—the company’s leadership succession plan.

Bringing Life to Its Leadership Succession Plan

La-Z-Boy’s top management knew that to remain competitive it would have to attract, retain and transition the best people and follow its succession plan strategy. It also needed to provide current employees—especially those with stellar records and leadership abilities—with the opportunity and support to enhance their skills. However, before the process of skill building could begin, La-Z-Boy needed to know the status of its current leadership situation. “We benchmarked our strengths and the areas that needed improvement. Then we took a hundred leaders from the organization and put them through a 360-degree feedback tool,” says Vanisacker.

A 360-degree feedback tool collects feedback about a La-Z-Boy manager’s performance from a variety of sources (self, managers, peers, direct reports, internal customers, etc.).

Armed with important core information about its current leadership capabilities, La-Z-Boy set out to hone its management’s leadership skills and to breathe new life into its Leadership Succession Planning Curriculum.

Leadership Conference Enhances Skills

The critical task of translating La-Z-Boy’s strategies into reality would require its

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leaders to fully embrace and put into action “new leadership views,” and to inspire others within their influence to participate in the development of their departments and in the personal development of each leader within the organization.

“We knew we had some leadership accountability issues we needed to improve, and we wanted to really explore those critical areas at the leadership conference,” says Vanisacker. La-Z-Boy turned to Paradigm Learning—a leader in corporate business games, business simulations and Discovery Maps®—to help it turn its leadership succession plan into knowledge that would translate into real-world solutions and eventually influence La-Z-Boy’s bottom-line success.

Through **Impact5®:The Business of Leadership Game**, La-Z-Boy’s top executives were exposed to the world of discovery learning. This experiential hands-on activity was ultimately a powerful conduit for change in the company’s leadership communication and training initiatives.

Impact5 is a business simulation that gathers teams of learners around a game board and thrusts them into the challenge of being managers at a fictitious company. As the simulation progresses, they face the trial of getting results, struggle with personnel issues, make decisions about interdepartmental relationships and balance the tactical with the strategic.



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According to Vanisacker, “The reason Impact5 has been so well received by our executives is that it ties together the company’s strategy with the key terms and concepts. We used the results of a previous employee feedback assessment to work on those areas we identified as needing further development.”

La-Z-Boy wanted its top managers engaged from start to finish as they discovered for themselves five core Business Impact Accountabilities (BIAs) that will ensure not only their success but also that of the organization. The five BIAs are

- Executing for results
- Managing change
- Influencing the business
- Developing talent
- Building personal effectiveness

With fresh insights and knowledge from the four-hour game, La-Z-Boy managers were ready to make the connection with their organization and jobs. Participants put their newly learned skills to the test during a customized session of Impact5. During this two- to three-hour session, learners apply critical-thinking approaches to each of the five BIAs as they relate to their work at La-Z-Boy.

Business Games Provide Leadership Insight

After attending the leadership conference and playing Impact5, one participant confessed he spent too much time fire fighting instead of developing processes. “We are now improving workflow, processes and systems. I am very proactive, instead of reactive,” he explained.

Another top executive at La-Z-Boy commented, “Getting results takes focus, effort, discipline and skill. Leaders at all levels are embracing the

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accountability of high performance, since their collective results are the ultimate measure of our success—both in the short and long terms.”

Succeeding, on a personal as well as professional level, is imperative to La-Z-Boy executives. The Leadership Conference, the experiential learning activity and the daily interaction with the Business Impact Accountabilities gave company personnel the tools they needed to realize their full potential.

Enhanced Skills Propel La-Z-Boy Leaders

La-Z-Boy executives, including President and CEO Kurt Darrow, are committed to ensuring that their leadership succession plan is a living document. After the 2006 Leadership Conference, Darrow sent a letter to all participants who went through the leadership curriculum. In the letter, he addressed the following:

- It wasn’t by chance that we devoted an entire day to providing you with the tools necessary to help you take action around the five Business Impact Accountabilities.
- We asked you to study the five Business Impact Accountabilities, self-reflect to assess your strengths and areas for improvements, and then develop a personal plan that will help you improve identified weaknesses.
- We want you to work with your team to develop a division-wide short- and long-term action plan to improve profitable growth for our organization.

What is Impact5 The Business of Leadership Game®?

Impact5® is a fast-paced classroom simulation that puts players in increasingly complex business situations that reflect real-world concerns. Over two simulated years, participants make decisions, take action, and experience the consequences of their own actions -- and others'--on the company's financial success, customer retention, and organizational culture and productivity. Impact5 engages managers with discovery learning techniques that allow them to experience what it means to be a leader within their organization and to gain a new perspective on leadership that can stimulate a dramatic shift in their thinking and behavior.

impact5
THE BUSINESS OF LEADERSHIP GAME®

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Energized to tackle the challenges facing them, La-Z-Boy executives plan to use their leadership succession plan and the Business Impact Accountabilities to guide them into a strong position for the future. "We realize how crucial it is to nurture and train all employees," explains Vanisacker. "Our focus has evolved, so we customize our top executives' career paths to fit the abilities and talents of the people involved. Planning for the future is an integral part of our decision making process."



About Paradigm Learning

Paradigm Learning (www.paradigmlearning.com) is a privately held company based in Tampa, Florida. Since 1994, Paradigm has worked with more than half of the Fortune 500 companies and has created award-winning business games, business simulations, and Discovery Maps® to address specific business needs. Its flagship program, **Zodiak®: The Game of Business Finance and Strategy**, has been played by more than one million people worldwide. Other products address such issues as leadership, teamwork, project management, organizational change and talent leadership.

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